

**HELPING YOU STAY IN YOUR HOME.
MAKING HOME AFFORDABLE.**

**You may be able to make your payments more affordable.
Act now to get the help you need!**



THIS COMMUNICATION IS FROM A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Loan Number:

Property Address:

Specialized Loan Servicing LLC (SLS)
8742 Lucent Blvd, Ste 300, Highlands Ranch, CO 80129
Phone: 1-800-306-6059 Fax: 1-720-241-7526 Email:

Dear

Congratulations! You are eligible for a Home Affordable Modification. As previously described, if you comply with the terms of the Home Affordable Modification Trial Period Plan, we will modify your mortgage loan and waive all prior late charges that remain unpaid.

The enclosed Home Affordable Modification Agreement ("Modification Agreement") reflects the proposed terms of your modified mortgage.

How to accept this offer:

STEP 1 COMPLETE AND RETURN THE ENCLOSED AGREEMENT BY THE DUE DATE

To accept this offer, you must sign (or electronically sign) and return the Modification Agreement to us in the enclosed, pre-paid envelope (or electronically as previously agreed-upon) by April 30, the Modification Agreement has notary provisions at the end or attached, you must sign before a notary public and return the notarized copy to us. We encourage you to make or retain a copy of all documents for your records. If you do not send a signed copy of the Modification Agreement by the above date, you must contact us if you still wish to be considered for this program and have your loan modified.

STEP 2 CONTINUE TO MAKE YOUR TRIAL PERIOD PAYMENTS ON TIME

Be certain to make any remaining trial period payments on or before the dates they are due. If the trial period payments are made after their due dates or in amounts different from the amount required, your loan may not be modified.

To better understand the proposed terms of your modified mortgage, please read the attached summary of your modified mortgage and the Modification Agreement.

Once your first mortgage is permanently modified under HAMP if you have a second mortgage on the same property, you may be eligible for a modification on your second mortgage under the Second Lien Modification Program (2MP). Please visit www.MakingHomeAffordable.gov/programs/second-mortgage-help/Pages/default.aspx to see if your second mortgage servicer is participating in 2MP. If your second mortgage servicer is participating, you should hear from them within 60 days. If not, please contact them directly to see if you are eligible for a modification.

We look forward to hearing from you.

Sincerely,

Linda #11344
Specialized Loan Servicing LLC (SLS)
Loan Resolution Department
1-800-306-6059

*The Making Home Affordable program was created to help millions of homeowners refinance or modify their mortgages. As part of this program, we your mortgage servicer and the Federal Government are working to offer you options to help you stay in your home.
Attachments: Summary of Your Modified Mortgage, Two copies of the Modification Agreement*

lose all accrued but unapplied principal reduction benefits and will no longer be eligible to accrue additional principal reduction benefits even if the mortgage loan is later brought current.

Please be advised that if the Agreement is altered in any way that the modification agreement will be rejected and the offer to modify your mortgage loan will be voided. All terms of the original Note and Deed of Trust will be immediately effective, including any default status of the loan.

If you are a customer in bankruptcy or a customer who has received a bankruptcy discharge of this debt, please be advised this letter constitutes neither a demand for payment of the captioned debt nor a notice of personal liability to any recipient hereof who might have received a discharge of such debt in accordance with applicable bankruptcy laws or who might be subject to the automatic stay of Section 362 of the United States Bankruptcy Code. However, it may be a notice of possible enforcement of the lien against the collateral property, which has not been discharged in your bankruptcy. If you have questions, please contact our Customer Care Center at 1-800-306-6057.

Recording Requested By:
Specialized Loan Servicing LLC
8742 Lucent Blvd, Ste 300, Highlands Ranch, CO 80129
After Recording Return To:
Specialized Loan Servicing LLC
8742 Lucent Blvd, Ste 300, Highlands Ranch, CO 80129
Attn: Doc Control
Tax/Map/Parcel ID No.

**HOME AFFORDABLE MODIFICATION AGREEMENT
(Step Two of Two-Step Documentation Process)**

Borrower ("I"):

If more than one Borrower or Mortgagor is executing this document, each is referred to as "I." For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

Lender or Servicer ("Lender"): Specialized Loan Servicing LLC a

Date of first lien mortgage, deed of trust, or security deed ("Mortgage") recorded in Book or Liber See Original Instrument , of the Records of LOS ANGELES County, CALIFORNIA and Note ("Note"):

Loan Number:

Property Address ("Property"): 13.

See Legal description referenced in the original security instrument.

If my representations in Section 1 continue to be true in all material respects, then this Home Affordable Modification Agreement ("Agreement") will, as set forth in Section 3, amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Agreement and not defined have the meaning given to them in Loan Documents.

This Agreement will not take effect unless the preconditions set forth in Section 2 have been satisfied.

1. **My Representations.** I certify, represent to Lender, covenant and agree:

- A. I am experiencing a financial hardship, and as a result, (i) I am in default under the Loan Documents or my default is imminent, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B. One of the borrowers signing this Agreement lives in the property as a principal residence, and the Property has not been condemned;
- C. There has been no impermissible change in the ownership of the Property since I signed the Loan Documents. A permissible change would be any transfer that the lender is required by law to allow, such as a transfer to add or remove a family member, spouse or domestic partner of the undersigned in the event of a death, divorce or marriage;
- D. I have provided documentation for all income that I receive (and I understand that I am not required to disclose child support or alimony unless I chose to rely on such income when requesting to qualify for the Home Affordable Modification Program ("Program")); Under penalty of perjury, all documents and information I have provided to Lender in connection with this Agreement, including the documents and information regarding my eligibility for the Program, are true and correct;
- F. If Lender requires me to obtain credit counseling in connection with the Program, I will do so; and
- G. I have made or will make all payments required under a trial period plan.

2. Acknowledgments and Preconditions to Modification. I understand and acknowledge that:

- A. If prior to the Modification Effective Date as set forth in Section 3 the Lender determines that any of my representations in Section 1 are no longer true and correct or any covenant in Section 1 has not been performed, the Loan Documents will not be modified and this Agreement will terminate. In that event, the Lender will have all of the rights and remedies provided by the Loan Documents; and
- B. I understand that the Loan Documents will not be modified unless and until the Modification Effective Date (as defined in Section 3) has occurred. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Agreement.

3. The Modification. If my representations and covenants in Section 1 continue to be true in all material respects and all preconditions to the modification set forth in Section 2 have been met, the Loan Documents will automatically become modified on April 1, 2013 (the "Modification Effective Date") and all unpaid late charges that remain unpaid will be waived. I understand that if I have failed to make any payments as a precondition to this modification under a trial period plan, this modification will not take effect.

- A. The new Maturity Date will be: April 1, 2053.
- B. The modified Principal balance of my Note will include all amounts and arrearages that will be past due as of the Modification Effective Date (including unpaid and deferred interest, fees, escrow advances and other costs, but excluding unpaid late charges,

collectively, "Unpaid Amounts") less any amounts paid to Lender but not previously credited to my Loan. The new Principal balance of my Note will be \$443,794.15 (the 'New Principal Balance'). I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement. I also understand that this means interest will now accrue on the unpaid Interest that is added to the outstanding principal balance, which would not happen without this Agreement.

- C. \$57,500.00 of the New Principal Balance shall be deferred (the 'Deferred Principal Balance') and I will not pay interest or make monthly payments on this amount. The New Principal Balance less the Deferred Principal Balance shall be referred to as the 'Interest Bearing Principal Balance' and this amount is \$386,294.15. Interest at the rate of 2.000% will begin to accrue on the Interest Bearing Principal Balance
 new monthly payment on the Interest Bearing Principal Balance
 My payment schedule for the modified Loan is as follows:

Years	Interest Rate	Monthly P&I Payment Amount	Monthly Escrow Payment Amount*	Total Monthly Payment*	Number of Monthly Payments
1-5	2.000%	\$1,169.79	\$429.21 May adjust periodically	\$1,599.00 May adjust periodically	60
6	3.000%	\$1,384.73	May adjust periodically	May adjust periodically	12
7-40	3.375%	\$1,459.35	May adjust periodically	May adjust periodically	408

*The escrow payments may be adjusted periodically in accordance with applicable law and therefore my total monthly payment may change accordingly.

The above terms in this Section 3.C. shall supersede any provisions to the contrary in the Loan Documents, including but not limited to, provisions for an adjustable, step or simple interest rate.

I understand that, if I have a pay option adjustable rate mortgage loan, upon modification, the minimum monthly payment option, the interest-only or any other payment options will no longer be offered and that the monthly payments described in the above payment schedule for my modified Loan will be the minimum payment that will be due each month for the remaining term of the Loan. My modified Loan will not have a negative amortization feature that would allow me to pay less than the interest due resulting in any unpaid interest to be added to the outstanding principal balance.

The amount deferred through this modification agreement is \$57,500.00 consisting of the amount(s) loaned to Borrower by the current or previous Note Holder and any interest capitalized to date, with a breakdown as follows:

- (a) Unpaid Interest: \$0.00
- (b) Corporate Advances: \$0.00
- (c) Principal: \$57,500.00

Additionally, the amount of items deferred in previous modification(s) on this loan is \$0.00; with a breakdown as follows:

- (a) Prior deferred interest: \$0.00
- (b) Prior deferred principal: \$0.00

Deferred Items: The portion of the outstanding principal balance, corporate advances and/or unpaid interest that is referenced above has been deferred. The deferred amount will not accrue interest. The deferred amount will remain due and owing but is not required to be paid until the loan is paid in full or if not sooner paid, on the Maturity Date or Modified Maturity Date. The deferred amount is not a forgiveness of partial debt and will not be reported as such.

- D. I will be in default if I do not comply with the terms of the Loan Documents, as modified by this Agreement.
- E. If a default rate of interest is permitted under the Loan Documents, then in the event of default under the Loan Documents, as amended, the interest that will be due will be the rate set forth in Section 3.C.
- F. I agree to pay in full the Deferred Principal Balance and any other amounts still owed under the Loan Documents by the earliest of: (i) the date I sell or transfer an interest in the Property, (ii) the date I pay the entire Interest Bearing Principal Balance, or (iii) the new Maturity Date.
- G. If I make a partial prepayment of Principal, the Lender may apply that partial prepayment first to any Deferred Principal Balance before applying such partial prepayment to other amounts due.

4. **Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents or their authorized representative(s) have signed this Agreement, unless (i) a borrower or co-borrower is deceased; (ii) the borrower and co-borrower are divorced and the property has been transferred to one spouse in the divorce decree, the spouse who no longer has an interest in the property need not sign this Agreement (although the non-signing spouse may continue to be held liable for the obligation under the Loan Documents); or (iii) the Lender has waived this requirement in writing.
- B. That this Agreement shall supersede the terms of any modification, forbearance, trial period plan or other workout plan that I previously entered into with Lender.

C. To comply, except to the extent that they are modified by this Agreement, with all covenants, agreements, and requirements of Loan Documents including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my Loan.

D. Funds for Escrow Items. I will pay to Lender on the day payments are due under the Loan Documents as amended by this Agreement, until the Loan is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over the Mortgage as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under the Loan Documents; (d) mortgage insurance premiums, if any, or any sums payable to Lender in lieu of the payment of mortgage insurance premiums in accordance with the Loan Documents; and (e) any community association dues, fees, and assessments that Lender requires to be escrowed. These items are called "Escrow Items." I shall promptly furnish to Lender all notices of amounts to be paid under this Section 4.D. I shall pay Lender the Funds for Escrow Items unless Lender waives my obligation to pay the Funds for any or all Escrow Items.

Lender may waive my obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, I shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. My obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in the Loan Documents, as the phrase "covenant and agreement" is used in the Loan Documents. If I am obligated to pay Escrow Items directly, pursuant to a waiver, and I fail to pay the amount due for an Escrow Item, Lender may exercise its rights under the Loan Documents and this Agreement and pay such amount and I shall then be obligated to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with the Loan Documents, and, upon such revocation, I shall pay to Lender all Funds, and in such amounts, that are then required under this Section 4.D.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under the Real Estate Settlement Procedures Act ("RESPA"), and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge me for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays me interest on the Funds and applicable law permits Lender to make such a charge. Unless an agreement is made in writing or applicable law requires interest to be paid on the Funds, Lender shall not be required to pay me any interest or earnings on the Funds. Lender and I can agree in writing, however,

that interest shall be paid on the Funds. Lender shall provide me, without charge, an annual accounting of the Funds as required by RESPA. If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to me for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify me as required by RESPA, and I shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify me as required by RESPA, and I shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments. Upon payment in full of all sums secured by the Loan Documents, Lender shall promptly refund to me any Funds held by Lender.

E. That the Loan Documents as modified by this Agreement are duly valid, binding, enforceable in accordance with their terms and are hereby reaffirmed.

F. That all terms and provisions of the Loan Documents, except as expressly modified by this Agreement, remain in full force and effect; nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents; and that except as otherwise specifically provided in, and as expressly modified by, this Agreement, the Lender and I will be bound by, and will comply with, all of the terms and conditions of the Loan Documents.

G. That, as of the Modification Effective Date, notwithstanding any other provision of the Loan Documents, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Mortgage. However, Lender shall not exercise this option if state or federal law, rules or regulations prohibit the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must pay all sums secured by the Mortgage. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Mortgage without further notice or demand on me.

H. That, as of the Modification Effective Date, I understand that the Lender will only allow the transfer and assumption of the Loan, including this Agreement, to a transferee of my property as permitted under the Garn St. Germain Act, 12 U.S.C. Section 1701j-3. A buyer or transferee of the Property will not be permitted, under any circumstances, to assume the Loan. Except as noted herein, this Agreement may not be assigned to, or assumed by, a buyer or transferee of the Property.

I. That, as of the Modification Effective Date, if any provision in the Note or in any addendum or amendment to the Note allowed for the assessment of a penalty for full or partial prepayment of the Note, such provision is null and void.

J. That, I will cooperate fully with Lender in obtaining any title endorsement(s), or similar title insurance product (s), and/or subordination agreement (s) that are necessary or required by the Lender's procedures to ensure that the modified mortgage Loan is in first lien position and/or is fully enforceable upon modification and that if, under any circumstance and not withstanding anything else to the contrary in this Agreement, the Lender does not receive such title endorsement (s), title insurance product (s) and/or

subordination agreement(s), then the terms of this Agreement will not become effective on the Modification Effective Date and the Agreement will be null and void.

K. That I will execute such other documents as may be reasonably necessary to either (i) consummate the terms and conditions of this Agreement; or (ii) correct the terms and conditions of this Agreement if an error is detected after execution of this Agreement. I understand that either a corrected Agreement or a letter agreement containing the correction will be provided for my signature. At Lender's option, this Agreement will be void and of no legal effect upon notice of such error. If I elect not to sign any such corrective documentation, the terms of the original Loan Documents shall continue in full force and effect, such terms will not be modified by this Agreement, and I will not be eligible for a modification under the Home Affordable Modification program.

L. Mortgage Electronic Registration Systems, Inc. ("MERS") is a separate corporation organized and existing under the laws of Delaware and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, for mailing address, where applicable, 1901 E. Voorhees Street, Suite C, Danville, IL 61834, (888) 679-MERS. In cases where the loan has been registered with MERS who has only legal title to the interests granted by the borrower in the mortgage and who is acting solely as nominee for Lender and Lender's successors and assigns, MERS has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the mortgage loan.

M. That Lender will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. In addition, I understand and consent to the disclosure of my personal information and the terms of the trial period plan and this Agreement by Lender to (i) the U.S. Department of the Treasury; (ii) Fannie Mae and Freddie Mac in connection with their responsibilities under the Home Affordability and Stability Plan; (iii) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (iv) companies that perform support services for the Home Affordable Modification Program and the Second Lien Modification Program; and (v) any HUD certified housing counselor.

N. That if any document related to the Loan Documents and/or this Agreement is lost, misplaced, misstated, inaccurately reflects the true and correct terms and conditions of the loan as modified, or is otherwise missing, I will comply with the Lender's request to execute, acknowledge, initial and deliver to the Lender any documentation the Lender deems necessary. If the original promissory note is replaced, the Lender hereby indemnifies me against any loss associated with a demand on the original note. All documents the Lender requests of me under this Section 4.N. shall be referred to as "Documents." I agree to deliver the Documents within ten (10) days after I receive the Lender's written request for such replacement.

O. That the mortgage insurance premiums on my Loan, if applicable, may increase as a result of the capitalization which will result in a higher total monthly payment. Furthermore, the date on which I may request cancellation of mortgage insurance may change as a result of the New Principal Balance.

THIS COMMUNICATION IS FROM A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

BANKRUPTCY NOTICE - IF YOU ARE A CUSTOMER IN BANKRUPTCY OR A CUSTOMER WHO HAS RECEIVED A BANKRUPTCY DISCHARGE OF THIS DEBT: PLEASE BE ADVISED THAT THIS NOTICE IS TO ADVISE YOU OF THE STATUS OF YOUR MORTGAGE LOAN. THIS NOTICE CONSTITUTES NEITHER A DEMAND FOR PAYMENT NOR A NOTICE OF PERSONAL LIABILITY TO ANY RECIPIENT HEREOF, WHO MIGHT HAVE RECEIVED A DISCHARGE OF SUCH DEBT IN ACCORDANCE WITH APPLICABLE BANKRUPTCY LAWS OR WHO MIGHT BE SUBJECT TO THE AUTOMATIC STAY OF SECTION 362 OF THE UNITED STATES BANKRUPTCY CODE. HOWEVER, IT MAY BE A NOTICE OF POSSIBLE ENFORCEMENT OF THE LIEN AGAINST THE COLLATERAL PROPERTY, WHICH HAS NOT BEEN DISCHARGED IN YOUR BANKRUPTCY. IF YOU HAVE QUESTIONS PLEASE CONTACT OUR LOAN RESOLUTION DEPARTMENT AT 1-800-306-6059.



You may be able to make your payments more affordable!
Call 1-800-306-6059 for Immediate Assistance.

THIS COMMUNICATION IS FROM A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Loan Number:

Property Address:

Dear

Congratulations! You are approved to enter into a trial period plan under the Home Affordable Modification Program. This is the first step toward qualifying for more affordable mortgage payments. Please read this letter so that you understand all the steps you need to take to modify your mortgage payments.

What you need to do...

To accept this offer, you must make new monthly "trial period payments". To qualify for a permanent modification, you must make the following trial period payments in a timely manner.

<u>Trial Period Payment #</u>	<u>Trial Period Payment Amount</u>
1	\$1,621.90
2	\$1,621.90
3	\$1,621.90

After all trial period payments are timely made and you have submitted all the required documents, your mortgage would then be permanently modified. (Your existing loan and loan requirements remain in effect and unchanged during the trial period.) If each payment is not received by Specialized Loan Servicing LLC in the month in which it is due, this offer will end and your loan will not be modified under the Making Home Affordable program.

If you have any questions or if you cannot afford the trial period payments shown above but want to remain in your home, or if you have decided to leave your home but still want to avoid foreclosure, you may contact me or our Customer Resolution Department at 1-800-306-6059, Monday-Friday 6a.m.-7 p.m. and Saturday 6a.m. - 12p.m. (MST). (Also, please review the attached "Frequently Asked Questions")

Sincerely,

Linda #
Specialized Loan Servicing LLC
Customer Resolution Department
Phone: 1-800-306-6059
Fax: 720-241-7526

Q. What else should I know about this offer?

- If you make your new payments timely, we will not conduct a foreclosure sale.
- You will not be charged any fees for this Trial Period Plan or final modification.
- If your loan is modified, we will waive all unpaid late charges.
- Your credit score may be adversely affected by accepting a trial period plan. The impact of a permanent modification on a credit score depends on the homeowner's entire credit profile. For more information about your credit score, go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.
- You may be required to attend credit counseling.

Q. Why is there a trial period?

The trial period offers you immediate payment relief and gives you time to make sure you can manage the lower monthly payment. The trial period is temporary, and your existing loan and loan requirements remain in effect and unchanged during the trial period.

Q. How was my new payment in the trial period determined?

Your trial period payment is approximately 31% of your total gross monthly income, which we determined to be \$5,226.03 based upon the income documentation you provided. If the loan is successfully modified, your new payment also will be based on 31% of your gross income. In addition, if your existing payment includes mortgage insurance premiums, this amount will also be added to your payment. If we were able to permanently modify your loan today, we estimate your modified interest rate would be 2.00000%. Your final modified interest rate may be different.

The modified payment should be sufficient to pay the principal and interest as well as property taxes, insurance premiums and other permissible escrow fees based on our recent analysis of these costs. Your modified monthly payment may change if your property taxes and insurance premiums change. If you did not have an escrow account before, the timing of your tax and insurance bills may require that you make a payment to cover any such bills when they come due. This is known as an escrow shortage. Your loan has an escrow shortage of \$9,062.94. This can either be paid in a lump sum when the loan is modified or over the next 60 months in an amount of \$151.05 per month in addition to your modified monthly mortgage payment. If you wish to pay the total shortage as a lump sum, please contact us at 1-800-306-6059.

Q. When will I know if my loan can be modified permanently and how will the modified loan balance be determined?

Once we confirm you are eligible for a Home Affordable Modification and you make all of your trial period payments on time, we will send you a modification agreement detailing the terms of the modified loan. Any difference between the amount of the trial period payments and your regular mortgage payments will be added to the balance of your loan along with any other past due amounts as permitted by your loan documents. While this will increase the total amount that you owe, it should not significantly change the amount of your modified mortgage payment as that is determined based on your total monthly gross income, not your loan balance.

Q. Are there incentives that I may qualify for if I am current with my new payments?

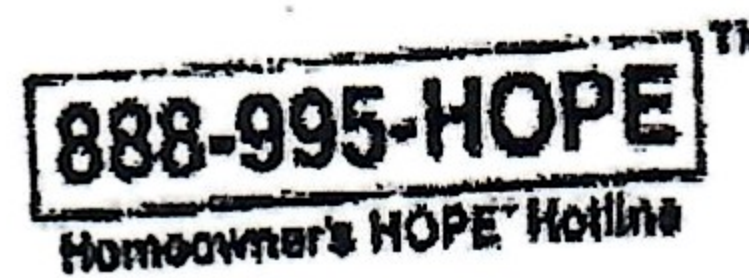
Once your loan is modified, you can earn a pay-for-success incentive for every month that you make on-time payments beginning with the trial period payments. Depending on your modified monthly payment, you may accrue up to \$1,000 each year for five years for a total of \$5,000. This important benefit, which will be applied to your principal balance each year after the anniversary date of your first trial period payment due date, will help you earn equity in your home by reducing the amount that you owe. However, you must remain current on your loan. You will lose this benefit if your modified loan becomes 90 days delinquent at any time during this five year period. If you lose this benefit, you will lose all accrued, unapplied incentive payments.

Q. Will my interest rate and principal and interest payment be fixed after my loan is permanently modified?

Once your loan is modified, your interest rate and monthly principal and interest payment will be fixed for the life of your mortgage unless your initial modified interest rate is below current market interest rates. In that case, the below market interest rate will be fixed for five years. At the end of the fifth year, your interest rate may increase by 1% per year until it reaches a cap. The cap will equal the market rate of interest being charged by mortgage lenders on the day your modification agreement is prepared (the Freddie Mac Primary Mortgage Market Survey Rate for 30-year, fixed-rate conforming mortgages). Once your interest rate reaches the cap it will be fixed for the remaining life of your loan. Like your trial period payment, your new monthly payment will also include an escrow for property taxes, hazard insurance and other escrowed expenses. If the cost of your homeowners insurance, property tax assessment or other escrowed expenses increases, your monthly payment will increase as well.

Q. What if I have other questions about Home Affordable Modification that cannot be answered by my mortgage servicer?

Call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). This Hotline can help with questions about the program and offers access to free HUD-certified counseling services in English and Spanish.



Additional Trial Period Plan Information and Legal Notices

The terms of your trial period plan below are effective on the day you make your first trial period payment,

We will not proceed to foreclosure sale during the trial period, provided you are complying with the terms of the trial period plan

- Any pending foreclosure action or proceeding that has been suspended may be resumed if you are notified in writing that you failed to comply with the terms of the trial period plan or do not qualify for a permanent modification.
- You agree that the servicer will hold the trial period payments in an account until sufficient funds are in the account to pay your oldest delinquent monthly payment. You also agree that the servicer will not pay your interest on the amounts held in the account. If any money is left in this account at the end of the trial period plan, those funds will be deducted from amounts that would otherwise be added to your modified principal balance.
- The servicer's acceptance and posting of your new payment during the trial period will not be deemed a waiver of the acceleration of your loan (or foreclosure actions) and related activities, and shall not constitute a cure of your default under your loan unless such payments are sufficient to completely cure your entire default under your loan.

If your monthly payment did not include escrows for taxes and insurance, you are now required to do so:

- You agree that any prior waiver that allowed you to pay directly for taxes and insurance is revoked. You agree to establish an escrow account and to pay required escrows into that account.

Your current loan documents remain in effect; however, you may make the trial period payment instead of the payment required under your loan documents:

- "You agree that all terms and provisions of your current mortgage note and mortgage security instrument remain in full force and effect and you will comply with those terms; and that nothing in the trial period plan shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained."

BANKRUPTCY NOTICE - IF YOU ARE A CUSTOMER IN BANKRUPTCY OR A CUSTOMER WHO HAS RECEIVED A BANKRUPTCY DISCHARGE OF THIS DEBT: PLEASE BE ADVISED THAT THIS NOTICE IS TO ADVISE YOU OF THE STATUS OF YOUR MORTGAGE LOAN. THIS NOTICE CONSTITUTES NEITHER A DEMAND FOR PAYMENT NOR A NOTICE OF PERSONAL LIABILITY TO ANY RECIPIENT HEREOF, WHO MIGHT HAVE RECEIVED A DISCHARGE OF SUCH DEBT IN ACCORDANCE WITH APPLICABLE BANKRUPTCY LAWS OR WHO MIGHT BE SUBJECT TO THE AUTOMATIC STAY OF SECTION 362 OF THE UNITED STATES BANKRUPTCY CODE. HOWEVER, IT MAY BE A NOTICE OF POSSIBLE ENFORCEMENT OF THE LIEN AGAINST THE COLLATERAL PROPERTY, WHICH HAS NOT BEEN DISCHARGED IN YOUR BANKRUPTCY. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT OUR CUSTOMER CARE CENTER AT 800-306-6057.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement ("Agreement") is entered into by and among Ilyia and Antoinette Hunt (collectively, "Plaintiffs") and Specialized Loan Servicing, LLC ("SLS" or "Defendant"). Plaintiffs and SLS are herein sometimes referred to as a Party or as the Parties.

RECITALS

This Agreement is made and entered into by the Parties with reference to the following facts:

A. a loan in the amount of \$392,000.00 (the "Loan") from Silver State Financial Services, Inc. dba Silver State Mortgage secured by a Deed of Trust on the real property SLS is the duly authorized loan servicer for the Loan.

C. SLS denies each of the allegations and claims asserted by Plaintiff in the Action and denies that it caused the damages claimed by Plaintiff. However, the Parties desire to settle the Action in order to avoid the burden, expense, and uncertainty of continuing litigation.

D. The Parties, by this Agreement, intend to reach a full and complete settlement of the dispute resulting in the Action on the terms and conditions set forth below.

AGREEMENT

WHEREFORE, in consideration of the foregoing Recitals, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows.

1. **Recitals.** Each of the above recitals is incorporated herein and deemed to be the Agreement of the Parties and is relied upon by the Parties in agreeing to the terms of this Agreement.

2. **Consideration.**

A. SLS agrees to modify the Loan as set forth in the Home Affordable Modification Program (HAMP) Trial Period Plan ("Trial Plan") attached as Exhibit A to this Agreement. Upon successful and timely completion of the Trial Plan, SLS shall provide Plaintiffs with a Permanent Loan Modification Agreement.

B. Within five (5) days after Plaintiffs execute and have notarized the Permanent Loan Modification Agreement, Plaintiffs shall cause the Action to be dismissed in its entirety with prejudice. Plaintiffs shall provide SLS' counsel with a conformed copy of the entry of said dismissal.

B. The Parties shall bear their own costs and attorneys' fees in the Action.

3. **Release.** Plaintiffs, in consideration of the covenants and terms hereof, fully and forever releases and holds harmless SLS, together with its parents, subsidiaries, affiliates, predecessors, successors, servicers, trustees, assigns, agents, representatives, professionals, shareholders, directors, employees and attorneys (as applicable), from each and every damage, obligation, liability, claim, fee, cost, charge, loan, suit, controversy, cause of action, loss, lien, right to payment, demand and expense, of each and every nature whatsoever, known or unknown, foreseen or unforeseen, suspected or unsuspected, contingent or matured, at law or in equity, that Plaintiffs had, now have, or may have in the future, including without limitation any claim which relates to the Loan or which is or could be alleged in the Action. As used in this Paragraph, "Plaintiffs" shall also include any of their respective agents, successors, heirs, representatives, attorneys or assigns.

4. **Release, Limitations.** This Agreement does not release claims arising out of the failure of either Party to perform in conformity with the terms of this Agreement.

5. **Civil Code Section 1542.** The Parties fully understand and agree that, if the facts with respect to which this Agreement is executed are found hereafter to be different from the facts now believed to be true, each party assumes the risk of such possible difference in facts, and the Parties hereby agree that this Agreement shall be, and will remain, effective notwithstanding such difference in facts. In this regard, Plaintiffs waive all rights or benefits under California Civil Code section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. **Binding Agreement.** This Agreement shall be binding upon the Parties' legal representatives, agents, employees, shareholders, affiliates, parents, subsidiaries, directors, officers, assigns, predecessors, and successors.

7. **Modification of Terms.** The Parties understand and agree that this Agreement may not be altered, amended, modified or otherwise changed in any respect or particular except in writing duly executed by the Parties.

8. **No Admission of Liability.** By entering into this Agreement no party is admitting any liability, and this Agreement should not be construed as an admission of liability by any party. The Parties understand, acknowledge and agree that the settlement reached, the making of this Agreement, and anything contained in this Agreement constitute a compromise of disputed claims involving legal and factual questions and issues and is not to be construed as an admission by any Party of liability under or noncompliance with any federal, state, or local statute, ordinance,

regulation, public policy, tort law, contract law, common law, or any other wrongdoing whatsoever.

9. **Confidentiality.** Except as otherwise provided in this paragraph, no party nor any attorney for a party shall disclose, disseminate or publicize, by press release, posting on the Internet, e-mail, or any other means any information about this settlement, this Agreement, or any of its terms. Upon unsolicited inquiry, the Parties may only inform others that a mutually satisfactory settlement has been reached. Notwithstanding the foregoing, this Agreement or its terms may be disclosed to the extent required to (a) obtain court approval for dismissal of the Action, (b) respond to an order, inquiry, or subpoena issued by a court, government, or administrative agency, (c) obtain appropriate legal, tax or financial advice from a party's own professionals, (d) report income or expense to appropriate tax authorities, (e) make required reports to shareholders or regulatory agencies, (f) enforce this Agreement, or (g) respond to subsequent litigation, claims, or bring any motion for good faith settlement if necessary.

10. **Nondisparagement.** Plaintiffs agree (a) not to criticize or disparage or make any statement which could reasonably be construed as criticizing or disparaging SLS in any manner, and (b) not to take any action that could reasonably be expected to have an adverse effect on SLS' reputation or standing.

11. **Enforcement of Agreement.** Should it become necessary for any party to this Agreement to commence a legal proceeding or action for the purpose of enforcing the terms of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs in connection with that proceeding or action.

12. **Drafting of Agreement.** The determination of the terms and the drafting of this Agreement have been by mutual agreement after negotiation, with consideration by and participation of all Parties hereto. The presumption found in Civil Code section 1654 or any other applicable law that uncertainties in a contract are interpreted against the party causing an uncertainty to exist is hereby waived by all Parties.

13. **Authority.** Plaintiffs warrant that as of the date they sign this Agreement, they have the sole right and authority to execute this Agreement, and that they have not sold, assigned, transferred, conveyed or otherwise disposed of or encumbered any claim or demand released or to be dismissed and/or assigned by virtue of this Agreement. Plaintiffs further represent and warrant that, to the best of their knowledge, as of the date of execution of this Agreement, they do not have any claims aside from those released.

14. **Severability of Terms.** If any portion of this Agreement is held by a court of competent jurisdiction to be void or unenforceable, the remainder of the terms of this Agreement shall remain in full force and effect and shall not be affected.

15. **Representations of Counsel.** Counsel for the Parties represent, if any, they have explained this Agreement and all of its terms to their respective clients, and that their respective clients have affirmed their understanding of and acceptance of the terms of the Agreement.

16. **Execution In Counterparts.** This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such

counterparts together shall constitute but one and the same instrument and Agreement.

17. **Further Acts.** The Parties to this Agreement will execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement. This Agreement may be signed in one or more counterparts. The Parties will execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement.

18. **Knowing and Voluntary Assent.** The Parties acknowledge that this Agreement is executed voluntarily by each of them, without any duress or undue influence on the part of, or on behalf of any of them. The Parties further acknowledge that they have had the opportunity for representation in the negotiations for, and in the performance of, this Agreement by counsel of their choice and that they have read this Agreement and/or have had it fully explained to them by their counsel and that they are fully aware of the contents of this Agreement and its legal effect.

19. **Complete Agreement.** This Agreement constitutes a single, integrated, written contract expressing the entire understanding and agreement between the Parties, and the terms of the Agreement are contractual and not merely recitals. No other agreement, written or oral, expressed or implied, exists between the parties with respect to the subject matter of this Agreement, and the Parties declare and represent that no promise, inducement or other agreement not expressly contained in this Agreement has been made conferring any benefit upon them.

20. **Final and Binding Agreement.** The Parties acknowledge that this Agreement is a full and final accord and satisfaction and shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, agents, representatives, successors, and assigns.

21. **No Oral Modification.** This Agreement shall not be altered, amended, or modified by oral representation made before or after the execution of this Agreement. All modifications must be in writing and duly executed by all Parties.

DATED: _____

DATED: _____

DATED:

SPECIALIZED LOAN SERVICING, LLC

By: Bye Jalk
Its: V.P. of Litigation